

FEDERAL BUREAU OF INVESTIGATION  
FOI/PA  
DELETED PAGE INFORMATION SHEET  
FOI/PA# 1465284-000

Total Deleted Page(s) = 74

Page 5 ~ Duplicate;  
Page 7 ~ Duplicate;  
Page 13 ~ Duplicate;  
Page 14 ~ Duplicate;  
Page 15 ~ Duplicate;  
Page 16 ~ Duplicate;  
Page 17 ~ Duplicate;  
Page 18 ~ Duplicate;  
Page 19 ~ b3; b6; b7C;  
Page 20 ~ b3; b6; b7C;  
Page 21 ~ b3; b6; b7C;  
Page 22 ~ b3; b6; b7C;  
Page 23 ~ Duplicate;  
Page 24 ~ Duplicate;  
Page 25 ~ Duplicate;  
Page 26 ~ Duplicate;  
Page 27 ~ Duplicate;  
Page 28 ~ Duplicate;  
Page 29 ~ Duplicate;  
Page 30 ~ Duplicate;  
Page 31 ~ Referral/Direct;  
Page 32 ~ Referral/Direct;  
Page 33 ~ Referral/Direct;  
Page 34 ~ Referral/Direct;  
Page 36 ~ b5; b6; b7C;  
Page 37 ~ b5;  
Page 38 ~ b5; b6; b7C;  
Page 39 ~ Duplicate;  
Page 40 ~ Duplicate;  
Page 41 ~ Duplicate;  
Page 42 ~ Duplicate;  
Page 45 ~ Duplicate;  
Page 46 ~ Duplicate;  
Page 47 ~ b3; b6; b7C;  
Page 49 ~ b3; b6; b7C;  
Page 50 ~ b3; b6; b7C;  
Page 51 ~ b3; b6; b7C;  
Page 52 ~ b3; b6; b7C;  
Page 53 ~ b3; b6; b7C;  
Page 54 ~ b3; b6; b7C;  
Page 55 ~ b3; b6; b7C;  
Page 56 ~ b3; b6; b7C;  
Page 57 ~ b3; b6; b7C;  
Page 58 ~ b3; b6; b7C;  
Page 59 ~ b3; b6; b7C;  
Page 60 ~ b3; b6; b7C;  
Page 61 ~ b3; b6; b7C;  
Page 62 ~ b3; b6; b7C;  
Page 63 ~ b3; b6; b7C;  
Page 64 ~ b3; b6; b7C;  
Page 65 ~ b3; b6; b7C;  
Page 66 ~ b3; b6; b7C;  
Page 67 ~ b3; b6; b7C;  
Page 68 ~ b3; b6; b7C;  
Page 69 ~ b6; b7C; b7D; b7E;  
Page 73 ~ b6; b7C; b7D; b7E;  
Page 75 ~ b6; b7C; b7D; b7E;  
Page 77 ~ Duplicate;  
Page 78 ~ Duplicate;  
Page 79 ~ b6; b7C; b7D; b7E;  
Page 81 ~ b6; b7C; b7D; b7E;  
Page 83 ~ b3; b6; b7C; b7D;  
Page 84 ~ b3; b6; b7C; b7D;  
Page 85 ~ b3; b6; b7C; b7D;  
Page 86 ~ b3; b6; b7C; b7D;  
Page 87 ~ b3; b6; b7C; b7D;  
Page 88 ~ b6; b7C; b7E;

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/10/91

[redacted]  
[redacted] date of birth [redacted]  
[redacted] was telephonically contacted by the interviewing agent. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

b6  
b7C

[redacted] advised that [redacted] was employed by the [redacted]

[redacted]  
[redacted] stated that because of [redacted] practices, the [redacted] had to eat over \$17,000 in insurance premiums. [redacted] expertise, other than [redacted] is his persuasive and optimistic outlook. [redacted] stated that every project in which [redacted] was involved was going to make a million dollars, according to [redacted]

b6  
b7C

[redacted] stated that from [redacted] made several trips to Houston, Texas. He would usually leave on Mondays and would come back on Fridays. [redacted] stated to [redacted] that he was doing [redacted] work for an individual who owned a savings and loan in Houston, Texas.

b6  
b7C

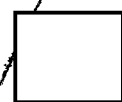
290-5283(6)-52

|                  |         |
|------------------|---------|
| SEARCHED         | INDEXED |
| SERIALIZED       | FILED   |
| JAN 14 1991      |         |
| FBI - [redacted] |         |

b6  
b7CInvestigation on 1/9/91 at [redacted] File # 29D-HO-5283by SA [redacted] Date dictated 1/9/91

Completed  
JL

[redacted] aka;

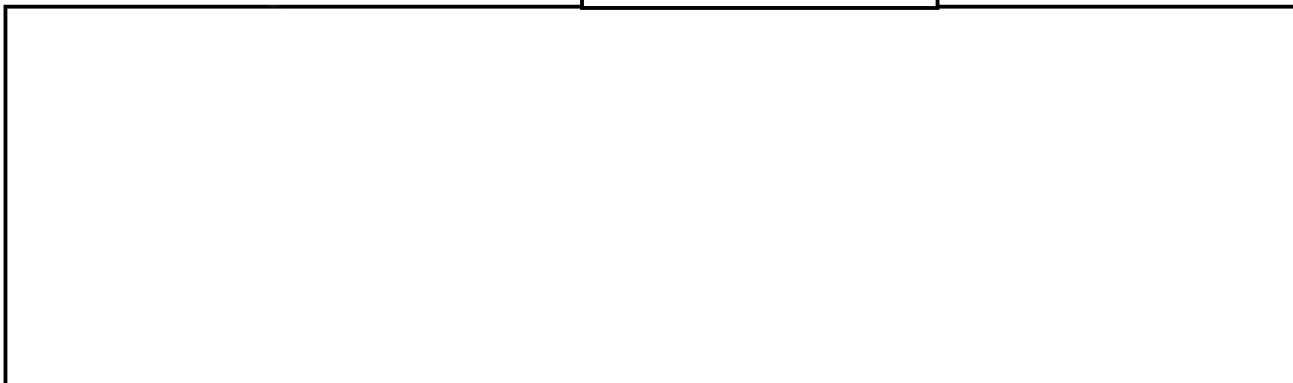


b6  
b7C

ET AL;  
BF&E;  
ITSP;  
FBW;  
MF;  
RICO;  
OO:JK  
29D-JK-33007  
1

On December 11, 1990, [redacted] provided the following  
information to Special Agent [redacted]

b6  
b7C  
b7D



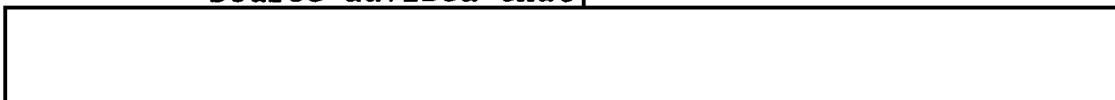
On December 20, 1990, source advised that [redacted]

b6  
b7C  
b7D



Source advised that [redacted]

b6  
b7C  
b7D



290-JK-33007-168



.....  
B  
.....  
9  
.....

SECRET

[redacted] aka;  
ET AL;  
BF&E; ITSP; FBW; MF; RICO;  
OO:JK  
29D-JK-33007  
1

b6  
b7C  
b7D

On December 27, 1990, [redacted] provided the following  
information to Special Agent [redacted]

Source showed [redacted]

b6  
b7C  
b7D

In addition, source showed [redacted]

b6  
b7C  
b7D

b6  
b7C

SCA

29D-JK-33007-169

B

FBI FACSIMILE  
COVERSHEET

## CLASSIFICATION

## PRECEDENCE

- ☐ Immediate  
☐ Priority  
☒ Routine

- ☐ Top Secret  
☐ Secret  
☐ Confidential  
☐ Sensitive  
☒ Unclassified

Time Transmitted: \_\_\_\_\_

Sender's Initials: \_\_\_\_\_

Number of Pages: \_\_\_\_\_

To: JACKSONVILLE  
(Name of Office)Date: 1/25/91

Facsimile number: \_\_\_\_\_

Attn: White Glendon Casne Supervisor  
(Name Room Telephone No.)From: JACKSON  
(Name of Office)Subject: Teletype

Special Handling Instructions: \_\_\_\_\_

12D-74-33007-170

Originator's Name: \_\_\_\_\_

Telephone: \_\_\_\_\_

Originator's Facsimile Number: \_\_\_\_\_

Approved: \_\_\_\_\_

make  
copy for  
file

FBI/DOJ

b6  
b7cb6  
b7c

0010 MRI 00253

RR RUCNFE FBIJN FBIPH

DE FEIHO #0008 0250222

ZNR UUUUU

R 250203Z JAN 91

FM FBI HOUSTON (29D-5283) (P)

TO DIRECTOR FBI/ROUTINE/

FBI JACKSON (29A-JK-33007)/ROUTINE/

FBI PHILADELPHIA (29D-9525)/ROUTINE/

BT

UNCLAS

CITE: //3290//

✓  
00  
SUBJECT: DEVELSAND SCAM; BF&E; OO: HOUSTON.

RE HOUSTON TELETYPE DATED 1/16/91.

FOR THE INFORMATION OF RECIPIENTS AS NOTED IN RE HO TEL,  
HOUSTON IRS AGENTS TRAVELED TO [REDACTED] IN AN EFFORT TO  
LOCATE AND INTERVIEW [REDACTED] CONCERNING HIS INVOLVEMENT  
WITH JAX, INC. JAX, INC. WAS INVOLVED IN A SIDE LAND DEAL IN  
THE HOUSTON AREA ON OR ABOUT THE TIME OF THE CLOSING OF THE  
FLORIDA EMERALD COAST JOINT VENTURE DEAL. IN THE HOUSTON DEAL [REDACTED]

SENT TO JN by mistake -  
FAXED TO JK 1/25/91.

29-JK-33007

|             |         |
|-------------|---------|
| SEARCHED    | INDEXED |
| SERIALIZED  | FILED   |
| JAN 23 1991 |         |
| FBI-JACKSON |         |

|              |         |
|--------------|---------|
| 29A-JK-33007 |         |
| SEARCHED     | INDEXED |
| SERIALIZED   | FILED   |
| JAN 24 1991  |         |
| FBI-JACKSON  |         |

|          |          |
|----------|----------|
| POSITIVE | MANUAL   |
| NEGATIVE | NEGATIVE |

b6  
b7C

|          |           |
|----------|-----------|
| POSITIVE | AUTOMATED |
| NEGATIVE | NEGATIVE  |

b6  
b7Cb6  
b7C

PAGE TWO DE FBIHQ 0008 UNCLAS

JAX, INC. WAS ACQUIRING A PARCEL OF LAND IN HOUSTON KNOWN AS  
PARK 45 SOUTH. THIS LAND WAS PART OF A PARCEL OF LAND SOLD TO

[REDACTED] ON 5/29/86 AND THEN

b6  
b7C

FLIPPED ON 6/2/86, TO JAX, INC. THE PURCHASE BY JAX, INC. WAS  
FINANCED AT VISION BANC SAVINGS ASSOCIATION THROUGH ROBERT L.  
CORSON. IT IS UNSECURE AT THIS TIME FOR WHOM [REDACTED]

b6  
b7C

[REDACTED] THE PROCEEDS FROM THIS LOAN PAID GENERAL HOMES AND  
THE REMAINDER EXCEPT FOR APPROXIMATELY \$56,000 WENT TO ROBERT  
L. CORSON AND [REDACTED] THE OWNERS AND  
OFFICERS OF VBSA WHO APPROVED THE LOAN IN VARYING AMOUNTS OVER  
A LONG PERIOD OF TIME. [REDACTED]

PERSONAL FINANCIAL STATEMENTS AND FINANCIAL STATEMENTS FROM  
JAX, INC. ARE BELIEVED TO BE FALSE.

[REDACTED] ADVISED THE IRS AGENTS THAT HE WAS WILLING  
TO DISCUSS THIS MATTER BUT FIRST WISHED TO DISCUSS IT WITH HIS  
LAWYER. THE IRS AGENTS HAD TO RETURN TO HOUSTON PRIOR TO

[REDACTED] OBTAINING AN ATTORNEY AND BEING AVAILABLE FOR  
INTERVIEW. HOUSTON INTENDS TO CONTINUE EFFORTS TO INTERVIEW

b6  
b7C

[REDACTED]  
HOUSTON IS ALSO WORKING AS PART OF OUR INVESTIGATION, A  
POSSIBLE CORRUPTION OF PUBLIC OFFICIALS CASE CONCERNING A



PAGE THREE DE FBIHO 0008 UNCLAS

LOCAL JUDGE WHO ASSISTED [REDACTED] PART OF  
THE BRIEF TO THE JUDGE WAS WORK PERFORMED BY DGI THROUGH ITS  
SUBSIDIARY AMERICAN DESIGNER HOMES (ADH). ACCORDING TO  
SOURCES AND WITNESSES [REDACTED]

b6  
b7C  
b7D

[REDACTED]

HOUSTON HAS LEARNED THAT PENSACOLA CONTINUES TO HAVE  
FEDERAL GRAND JURY SUBPOENAS ISSUED TO PERSONS IN THE HOUSTON  
DIVISION SERVED BY THE U.S. MARSHAL'S OFFICE.

HOUSTON REITERATES ITS OBSERVATIONS AT THE PHILADELPHIA  
CONFERENCE THAT SERVICE OF FGJ SUBPOENAS ACROSS DIVISION LINES  
WITHOUT COORDINATION MAY HAVE A DELETERIOUS EFFECT ON EITHER  
OR BOTH INVESTIGATIONS. HOUSTON WELCOMES THE OPPORTUNITY TO  
SERVE PENSACOLA'S SUBPOENAS AND ATTEMPT TO INTERVIEW, WHERE  
APPROPRIATE THE RECIPIENT OF THE SUBPOENA. IT IS NOTED THE  
RESULTS OF THESE INTERVIEWS MAY HAVE POSITIVE RESULTS FOR BOTH  
INVESTIGATIONS. THIS IS OF PARTICULAR CONCERN IN THESE  
INVESTIGATIVE MATTERS SINCE THEY ARE OVERLAPPING AND HAVE MANY

PAGE FOUR DE FBIHQ 0008 UNCLAS  
OF THE SAME SUBJECTS.

TO PROPERLY COORDINATE THE INVESTIGATION IN HOUSTON WITH  
THAT IN PENSACOLA AND TO ENSURE ALL FACTS WHICH MAY HAVE A  
BEARING ON BOTH INVESTIGATIONS ARE AVAILABLE TO BOTH  
JURISDICTIONS, HOUSTON REITERATES ITS REQUEST THAT ALL  
SUBPOENAS FROM FLORIDA OR PENNSYLVANIA FOR PERSONS IN THE  
HOUSTON DIVISION BE FORWARDED TO HOUSTON FBI FOR SERVICE  
ALLOWING SUFFICIENT TIME FOR LOCATING AND SERVICING THE  
SUBPOENAS.

BT

#0008

NNNN

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 2/7/91

FM FBI JACKSONVILLE (29D-JK-33007) (P)

TO DIRECTOR FBI/ROUTINE/

FBI HOUSTON (29D-5283)/ROUTINE/

FBI PHILADELPHIA (29A-PH-58968)/ROUTINE/

BT

UNCLAS

CITE: //3330//

SUBJECT:  AKA; ET AL; BF&E (D);

ITSP; MF; FBW; RICO; CPO; BANKRUPTCY FRAUD;

OO: JK (29D-JK-33007);  HILL FINANCIAL

SAVINGS ASSOCIATION, 400 MAIN STREET, RED HILL, PENNSYLVANIA;

BF&amp;E OO: PH (29A-PH-58968); DEVELSAND SCAM; BF&amp;E;

OO: HO (29D-5283).

RE JK TELETYPE TO FBIHQ, HO AND PH DATED, 12/7/90, AND JK  
 TELETYPE TO HO AND PH DATED, 1/22/91.

FOR INFORMATION FBIHQ, AND AS HO AND PH ARE ALREADY

MED/SSF

29D-JK-33007-173

Approved: Original filename: SSB FLA002W-059

Time Received: \_\_\_\_\_

Telprep filename: SSB00250-039MRI/JULIAN DATE: 2396/039ISN: 7FOX DATE & TIME OF ACCEPTANCE: Wb6  
b7cb6  
b7c

# Memorandum



To : SAC, JACKSONVILLE (29-0)

Date 2/8/91

[ ] : ACTING SSA [ ]

b6  
b7C

Subject: FAILED FINANCIAL INSTITUTIONS -  
CASE REPORTING

Re Jacksonville telcall to SSA [ ] Financial  
Institution Fraud Unit, FBIHQ, on 2/8/91.

In discussions with SSA [ ] as to matters  
involving failed financial institutions, she advised that for  
reporting purposes (to Congress), [ ]

b6  
b7C  
b7E

① 29-0  
1 - SAC  
1 - ASAC  
1 - PRICE  
1 - REEL  
1 - Each agent handling 29 matters  
CWS:cm

1- 29E-JK- 33007

Reclassified 13 to  
29D-JK-33007  
29E-JK-33007  
2/11/91  
[ ]  
[ ]  
[ ]

SEARCHED  
SERIALIZED

b6  
b7C

-174

In view of these instructions, the following Jacksonville origin 29 matters, should be re-classified as follows:

| <u>Agent</u> | <u>Prior Classification</u> | <u>New Classification</u> | <u>Failed Financial Institution</u>   |
|--------------|-----------------------------|---------------------------|---|
| [Redacted]   | 29D-JK-33007                | 29E-JK-33007              | Hill Financial - Pennsylvania; Vision Savings Banc, Texas (Both failed lenders have been claimed by their respective divisions.)                |
| [Redacted]   | 29D-2999                    | 29D-2999                  | Duval Federal Savings and Loan  |
|              |                             | 29D-New                   | Baltimore Federal Savings and Loan (This matter opened as Baltimore does not have an investigation concerning same.)                            |
|              |                             | 29A-New                   | Tucker State Bank   |
|              |                             | 29A-New                   | Caribank, Dania Florida (This matter being claimed as no investigation concerning this failed lender has been instituted by the Miami Division. |

b6  
b7C

29E-J/K-33007-175

|            |        |
|------------|--------|
| SEARCHED   |        |
| SERIALIZED |        |
|            | - 1991 |
|            | WILLE  |
|            |        |

b6  
b7C

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 7/2/90

Cooperating Witness (CW) was interviewed at the offices  
of the FEDERAL BUREAU OF INVESTIGATION (FBI), [REDACTED]

[REDACTED]

b6  
b7C  
b7D

Investigation on 6/15/90 at [REDACTED] File # 29A-5283

by SA [REDACTED] Date dictated 6/29/90

b6  
b7C  
b7D

29A-5283

Continuation of FD-302 of COOPERATING WITNESS, On 6/29/90, Page 2

[Redacted]

b6  
b7C  
b7D

CW advised

[Redacted]

[Redacted]

b6  
b7C  
b7D



29A-5283

Continuation of FD-302 of COOPERATING WITNESS, On 6/29/90, Page 3

CW believed

b6  
b7C  
b7D

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 7/2/90

Cooperating Witness (CW) appeared at the FEDERAL BUREAU  
OF INVESTIGATION (FBI) office

b6  
b7C  
b7D

Investigation on 6/18/90 at  File # 29A-5283

by SA  Date dictated 6/29/90

b6  
b7C  
b7D

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 6/22/90

A cooperating witness was contacted [REDACTED]

[REDACTED]

[REDACTED]

b6  
b7C  
b7D  
b7E

Investigation on 6/18/90 at [REDACTED] File # 29A-HO-26870

by SAS [REDACTED] dictated 6/22/90

b6  
b7C  
b7D

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 7/2/90

Cooperating Witness (CW) came to the FEDERAL BUREAU OF  
INVESTIGATION (FBI) office

b6  
b7C  
b7D

---

Investigation on 6/22/90 at  File # 29A-5283

by SA  Date dictated 6/29/90

b6  
b7C  
b7D

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 6/29/90

A cooperating witness came to the offices of the Federal  
Bureau of Investigation (FBI) [REDACTED]

[REDACTED]

b6  
b7C  
b7D  
b7E

Investigation on 6/22/90 at [REDACTED] File # 29A-5283

by SA [REDACTED] Date dictated 6/29/90

b6  
b7C

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

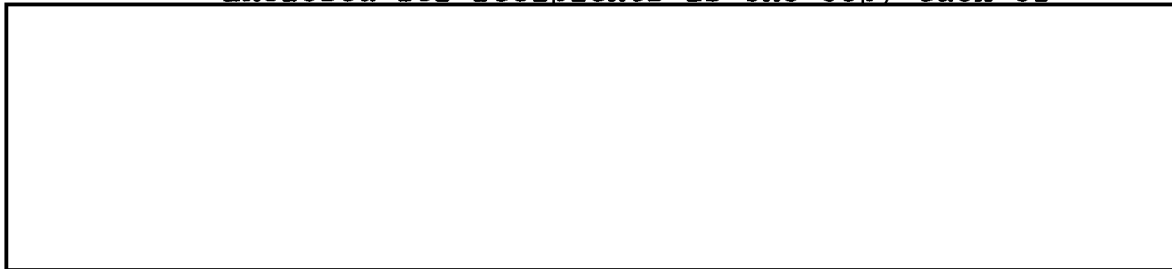
☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 2/22/91

1 TO : SAC, PHILADELPHIA  
 2 FROM : SAC, HOUSTON (29D-5283) (P)  
 3 SUBJECT : DEVELSAND SCAM  
 4 BF&E (D)  
 5 (OO: HOUSTON)

*29 dk-33007 45000?*

6 Enclosed for recipients is one copy each of



b3  
 b6  
 b7C

11 Also enclosed is one copy each of FD-302's  
 12 reflecting contacts on 6/15/90, 6/18/90, 6/18/90, 6/20/90,  
 13 6/22/90 and 6/22/90 with a cooperative witness in the Houston  
 14 Division whose identity is known to both Philadelphia and  
 15 Jacksonville personnel working captioned matter.

16 Also enclosed is one copy each of a list of records  
 17 obtained by the CID, IRS in Houston and a list of the records  
 18 obtained by the Houston Division.

*29E-JK-33007-187*

19 2 - Philadelphia (Enc-1)  
 20 2 - Jacksonville (Enc-13)  
 21 2 - Houston

(6)

*COPY FORWARDED TO  
 3-4-91  
 174 th 187*

Approved: \_\_\_\_\_

Transmitted \_\_\_\_\_

(Number) (Time)

Per \_\_\_\_\_

HO 29D-5283

For information of Jacksonville, [REDACTED]

b6  
b7C  
b7D

[REDACTED]

For information of recipients, the records available in Houston as noted by the enclosure lists are somewhat voluminous. To copy these records would cause possible duplication of records already in the possession of recipients. During the first conference in this matter in October, 1989, the records in the possession of Houston were made available to recipients for review and copying as deemed necessary. These records continue to be available for review by the personnel involved in this investigation from either other jurisdiction.

Houston recently located additional records in another unrelated file which may be pertinent to this investigation. Houston is in the process of reviewing those records and will advise the results of that review in the near future.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

PENSACOLA NEWS  
JOURNAL  
Date: PENSACOLA + FT. WALTER  
Edition: BAYVIEW, FLA.  
Title: PAGE 1 B  
2/21/91

# State's land buy at

## Topsail stalled by grand jury

JK 29E-JK-3300

Submitting Office:

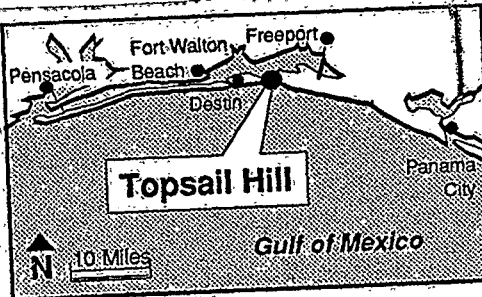
By Keith Goldschmidt  
Gannett News Service

**TALLAHASSEE** — A grand jury investigation is holding up the state purchase of about 600 acres of land in the Topsail Hill project, said Florida's Deputy Attorney General Peter Antonacci.

Federal investigators apparently are looking into a complex financial package involving the developers of the Topsail land and adjacent property in South Walton County and savings and loans with ties in Texas and Pennsylvania.

The state was going to spend about \$47 million for the land in December, but the purchase was pulled off the Cabinet agenda for review by the Attorney General's Office.

No action has been taken since then.



While Antonacci said he has concerns about the land appraisals — the reason for the review — he will recommend nothing until a grand jury in Pensacola completes its investigation.

"Why go forward with anything if we don't know all the facts," he said.

The U.S. Attorney's Office in Tallahassee, which would convene a grand jury,

Indexing:

would not confirm a grand jury investigation is being conducted.

The Topsail land is part of 20,859 acres of Gulf-front and interior forest land sold in 1986 by St. Joe Paper Co.

Reports last June indicated shell corporations subsequently might have swapped, given away and sold the land among themselves, sometimes daily, driving up the price and bilking millions out of lending institutions.

Antonacci said he's discussed Topsail Hill with the U.S. Attorney's Office, but added, "I didn't get much out of them."

Topsail Hill is a 1,400-acre stretch of pristine beach, sand dunes, lakes and pine forest between Panama City and Fort Walton Beach.

St. Joe repossessed a portion of the land after the developer went bankrupt.

The project is ranked fourth on the priority list through which the state buys and protects environmentally important land.

Under the proposal, the state would pay \$45 million for 599 acres owned by St. Joe Paper Co. Another 22 acres would be purchased for \$2.2 million from First Federal of DeFuniak Springs.

Five years ago, the land was slated for development when it was purchased by developers from St. Joe Paper Co. Because of missed payments, the paper company regained ownership.

The DNR is satisfied the purchase price is fair and waits for word to bring the proposed purchase back to the Cabinet.

"As soon as we get a call to put it on, we'll put it on," said Ed Kuester, chief of the DNR's Bureau of Land Acquisition.

SEARCHED \_\_\_\_\_  
SERIALIZED \_\_\_\_\_  
INDEXED \_\_\_\_\_  
FILED \_\_\_\_\_

b6  
b7c

29E-JK-33007-188



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/6/91

[redacted]  
[redacted] voluntarily appeared at the [redacted]  
[redacted] Florida, in order to  
talk with an agent about some possible fraudulent loans issued by  
FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF DEFUNIAK SPRINGS,  
FLORIDA, in 1984 and 1986. [redacted] then provided the following  
information:

b6  
b7C

[redacted] advised that on [redacted] CYPRESS PRODUCTS  
INCORPORATED, and HAROLD C. HODGES obtained a loan from FIRST  
FEDERAL SAVINGS AND LOAN ASSOCIATION OF DEFUNIAK SPRINGS for one  
million two hundred thousand dollars. On January 7, 1986,  
CYPRESS PRODUCTS INCORPORATED and HAROLD C. HODGES obtained a  
second loan from FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF  
DEFUNIAK SPRINGS for two million dollars. Security for both of  
these loans was a [redacted] piece of property known as  
[redacted] which is located near [redacted]  
[redacted] CYPRESS PRODUCT INCORPORATED  
obtained the [redacted] from ST. JOE PAPER COMPANY  
sometime in approximately 1982. CYPRESS PRODUCT INCORPORATED  
owned one eighth of an acre of property located in [redacted]  
and gave that property to ST. JOE PAPER COMPANY in exchange for  
the [redacted] CYPRESS PRODUCT INCORPORATED  
originally purchased this one eighth of an acre from [redacted]  
for approximately twenty-nine thousand dollars sometime in 1982,  
however the deed to this property was never filed until 1983.  
According to [redacted] ST. JOE PAPER COMPANY had previously  
arranged for CYPRESS PRODUCT INCORPORATED to purchase this one  
eighth of an acre from [redacted] and then CYPRESS PRODUCT  
INCORPORATED would give that property to ST. JOE PAPER COMPANY in  
exchange for the [redacted] did not know why  
ST. JOE PAPER COMPANY did not purchase the one eighth of an acre  
piece of property directly from [redacted] instead of having CYPRESS  
PRODUCT INCORPORATED purchase the property.

b6  
b7Cb6  
b7C

Investigation on 1/31/91 [redacted] Florida File # 29D-JK-33007-189  
by SA [redacted] Date dictated 2/4/91

b6  
b7C

29D-JK-33007

Continuation of FD-302 of [REDACTED], On 1/31/91, Page 2

[REDACTED] advised that the following individuals were the major share holders of CYPRESS PRODUCT INCORPORATED:

1. [REDACTED]
2. H. C. HODGES

3. [REDACTED]
4. [REDACTED]
5. [REDACTED]

b6  
b7C

[REDACTED] stated that [REDACTED] who is an attorney in Florida, [REDACTED]

b6  
b7C

[REDACTED] In addition, HODGES, who is deceased, was the president of CYPRESS PRODUCT INCORPORATED.

[REDACTED] did not know what the value of the [REDACTED] property was in 1984 and 1986, when the aforementioned loans were issued to CYPRESS PRODUCT INCORPORATED and H. C. HODGES by FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF DEFUNIAK SPRINGS. The [REDACTED] property could not have been worth very much, because of [REDACTED]

b6  
b7C

[REDACTED] In August of 1982, [REDACTED] listed on a financial statement the value of [REDACTED]

CYPRESS PRODUCT INCORPORATED and H. C. HODGES owed two million eight hundred thousand dollars on both of the loans with FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF DEFUNIAK SPRINGS when they defaulted on those loans. FIRST FEDERAL SAVINGS AND LOAN OF DEFUNIAK SPRINGS eventually foreclosed on the property. As the interview concluded, [REDACTED] provided the interviewing agent with copies of the following items:

b6  
b7C

1. A mortgage executed on June 18, 1984, between CYPRESS PRODUCTS INCORPORATED, HAROLD C. HODGES, and FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF DEFUNIAK SPRINGS.

2. A mortgage executed on January 7, 1986, between CYPRESS PRODUCTS INCORPORATED, HAROLD C. HODGES, and FIRST

29D-JK-33007

Continuation of FD-302 of [REDACTED], On 1/31/91, Page 3

FEDERAL SAVINGS AND LOAN ASSOCIATION OF DEFUNIAK SPRINGS.

3. Pages 137, 166, and 210 from a deposition taken of [REDACTED]

4. A statement of claim made by [REDACTED] made against the estate of H. C. HODGES.

b6  
b7C

5. Page 177 of a deposition of [REDACTED]

6. A computer print-out listing the officers/directors of CYPRESS PRODUCTS INCORPORATED.

7. A portion of a letter from the law firm of LEVIN, WARFIELD, MIDDLEBROOKS, MAYBIE, THOMAS, MAYES & MITCHELL, P.A., to the Honorable M. C. BLANCHARD dated, November 9, 1984.

0003 MRI 00097

RR FBIJK

DE FBIHO #0006 0790136

ZNR UUUUU

R 200111Z MAR 91

FM FBI HOUSTON (29-5283) (P)

TO FBI JACKSONVILLE (29D-JK-33007)/ROUTINE/

BT

UNCLAS

CITE: //3290//

SUBJECT: DEVELSAND SCAM; FB&E; OO: HOUSTON.

RE TELEPHONE CONVERSATION BETWEEN SA [REDACTED]

JACKSONVILLE, AND SA [REDACTED] HOUSTON, ON 3/18/91.

AS NOTED IN REFERENCED TELCALL, [REDACTED]

b6  
b7C  
b7D

"DUPLICATE COPY FORWARDED TO  
TALLAHASSEE RA ON 3-20-91"

b6  
b7C

*FILE TO*

*(File Unavailable  
for Review)*

*29D-JK-33007-190*

|                    |            |
|--------------------|------------|
| SEARCHED           | [REDACTED] |
| SERIALIZED         | [REDACTED] |
| MAR 19 1991        |            |
| FBI - JACKSONVILLE |            |

PAGE TWO DE FB1HO 0006 UNCLAS

b6  
b7C  
b7D  
b7E

PAGE THREE DE FBIHO 0006 UNCLAS



b7D

BT

#0006

NNNN

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 4/1/91

FM FBI JACKSONVILLE (29D-JK-33007) (P)  
 TO FBI HOUSTON (29D-5283)/ROUTINE/  
 FBI PHILADELPHIA (29A-PH-58968)/ROUTINE/

BT

UNCLAS

CITE: //3330//

SUBJECT:  AKA; ET AL; BF&E (D);  
 ITSP; MF; FBW; RICO; CPO; BANKRUPTCY FRAUD; OO: JACKSONVILLE  
 (29D-JK-33007)  
 DEVELSAND SCAM; BF&E; OO: HO (29D-5283)

b6  
 b7C  
 b7D

RE HO TELETYPE TO JK DATED, 3/19/91.

FOR INFORMATION PHILADELPHIA, REFERENCED HO TELETYPE

Approved 

Time Received

Original filename: SSFO1250.091Telprep filename: SSFO1250.091MRI/JULIAN DATE: 1492/091ISN: 013FOX DATE & TIME OF ACCEPTANCE: 2313 01 Apr. 91 

SEARCHED

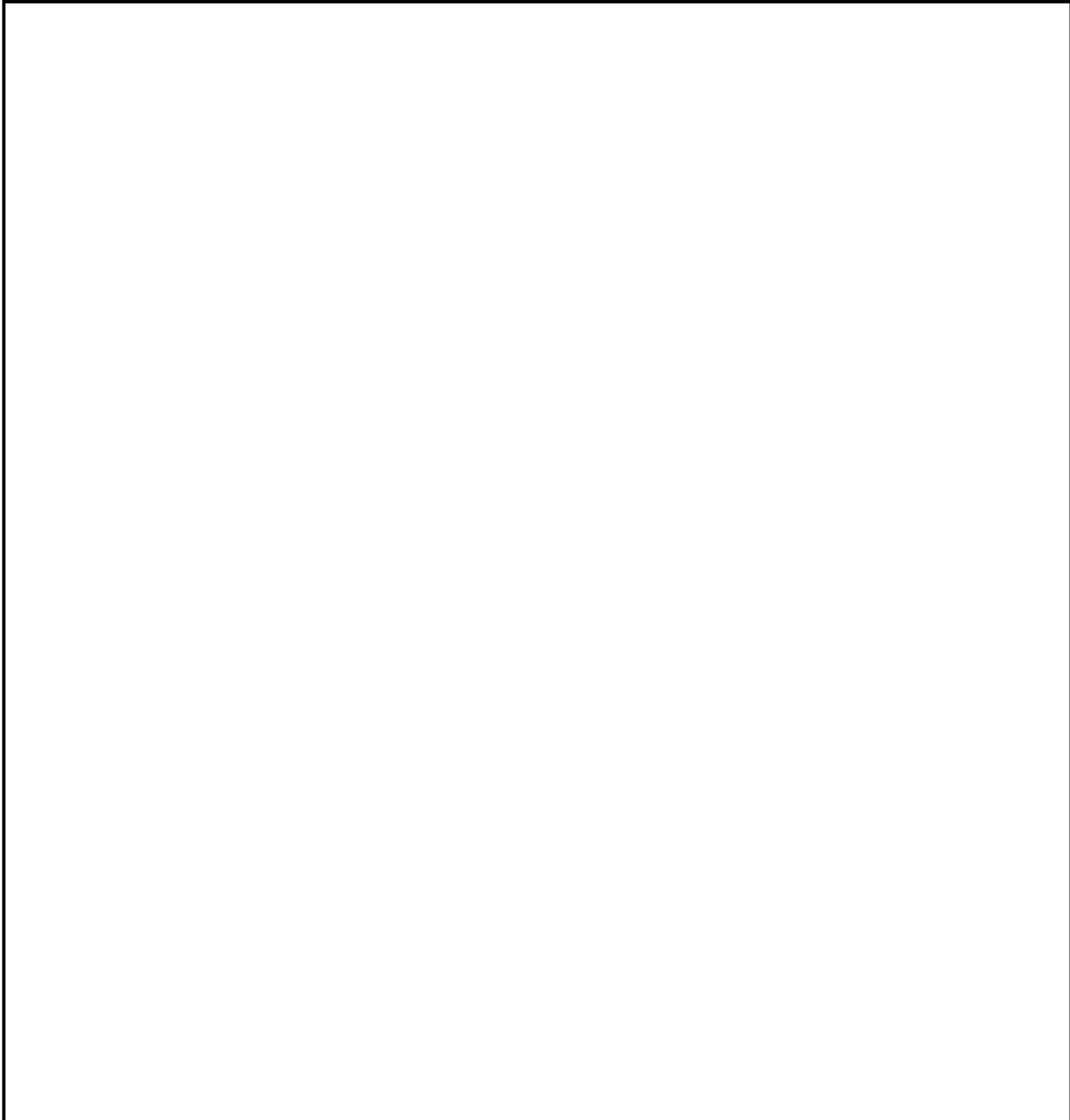
SERIALIZED

INDEXED

FILED

b6  
 b7C  
 b7D

^PAGE 2 JK, 29D-JK-33007, UNCLAS



b6  
b7C  
b7D  
b7E



^PAGE 3 JK, 29D-JK-33007, UNCLAS

b6  
b7C  
b7D  
b7E

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 3/15/91

TO : SAC, JACKSONVILLE (29D-JK-33007)  
 FROM : SAC, HOUSTON (29D-5283)  
 SUBJECT : DEVELSAND SCAM;  
 BF&E;  
 OO:HOUSTON

Enclosed for recipients are two copies each of FD 302's reflecting the interviews of [redacted]

[redacted] Enclosed for Jacksonville only is one box of documents selected by FBI and IRS representatives and copied from the records of [redacted] Also enclosed only for Jacksonville are copies of documents provided by [redacted]

For the information of Jacksonville, [redacted] provided the enclosed documents as part of his interview. These were not produced as a result of any subpoena. It is not known by Houston at this time whether or not [redacted] has any other documents.

For the information of Jacksonville, as a result the subpoena served on [redacted] their records pertaining to their work for [redacted] his various entities and associates were made available to the IRS and FBI for review and copying. It is noted that all of their records filled a small room at their office. A review of these records determined that some of the files and records were redundant while others seemed non pertinent to the current investigation.

③-Jacksonville (encl)  
 ②-29D-JK-33007  
 1-package copy  
 2-Philadelphia (29A-9525)  
 2-Houston

Approved: [redacted]

Transmitted

(Number) (Time)

Per

b6  
 b7C  
 b7D

b6  
 b7C  
 b7D

b6  
 b7C  
 b7D

29D-JK-33007-192

For this reason only selected documents were copied. The enclosed copied records, therefore, reflect only a small portion of the [REDACTED] which Houston FBI and IRS believed were necessary and useful for their investigative interests.

b6  
b7C  
b7D

VHO 29D-5283

HO 29D-5283 Sub I

On 10/25/90, while executing a search warrant at [redacted]  
[redacted] the following names, addresses or  
telephone numbers were noted:

1. Telephone number [redacted]  
Telephone number [redacted]  
Telephone number [redacted]

2. Address for [redacted]  
Houston, Texas, [redacted]

3. Texas National Bank Title Company, July, 1984  
[redacted]

4. A shareholder letter from U.S. Long Distance  
Corporation, San Antonio, Texas

5. [redacted]

6. [redacted]

7. A receipt from 1st Interstate, 10/20/90,  
\$1,421.85, Account Number [redacted]

8. [redacted] telephone number [redacted]

9. [redacted] telephone number [redacted]

10. Telephone number [redacted]  
[redacted]

11. La Jolla Bank and Trust, telephone number  
458-2386, Wire Department, ABA Number 122232963,  
[redacted]

b6  
b7C

b6  
b7C

b6  
b7C

b6  
b7C

29D-5283 [redacted] 44

29D-5283-146

29D-JK-33007-193

HO 29D-5283  
HO 29D-5283 Sub I

12. U.S. Bankruptcy Court, Southern District of Texas,  
[redacted] Number [redacted] Case Number  
[redacted]
13. Address [redacted]  
[redacted]
14. A letter addressed to Suntec International  
Industries, 2339 Christi, Phoenix, Arizona, 85028,  
the letter was from Kelly and Ryan Attorneys at  
Law, Houston, Texas
15. An insurance binder for [redacted]  
[redacted]
16. A business card, John Ballis Ranch, telephone  
number (713) 592-8181, at 2025 Coldsprings Road,  
directions 12 miles from downtown Cleveland, turn  
at Church's Chicken
17. A business card, [redacted] Texas Commerce  
Bank, Houston, Texas
18. A business card, Hobco, Incorporated, 227 North  
Bronough, Suite 1001, Tallahassee, Florida,  
telephone number (904) 224-8681
19. A business card, [redacted] Attorney, telephone  
number [redacted]
20. A business card, MBank, Houston, [redacted]  
[redacted]
21. A business card, [redacted] Attorney,  
Nashville, Tennessee, telephone number [redacted]

b6  
b7C

b6  
b7C

b6  
b7C

HO 29D-5283  
HO 29D-5283 Sub I

22. A business card, [redacted] Counsel,  
Pensacola, Florida, telephone number  
[redacted]
23. A business card, [redacted] Broker, Snellville,  
Georgia, office telephone number (404) 979-9400,  
home telephone number [redacted]
24. A business card, [redacted] Houston, Texas,  
telephone number [redacted]
25. A business card, [redacted] Texas Commerce  
Bank, Houston, Texas
26. A business card, La Jolla Bank, [redacted] 1075  
Wall Street, telephone number [redacted]
27. A business card, [redacted] Fine Art  
Consultant, Solana Beach, California, telephone  
number [redacted]
28. A business card, MBank, Houston, [redacted]  
[redacted] telephone number [redacted]
29. A business card, La Jolla Bank, [redacted]  
[redacted] telephone [redacted]
30. A business card, [redacted] Nashville,  
Tennessee, telephone number [redacted]
31. A business card, Northside Realty, [redacted]  
Lilburn, Georgia, 30247, telephone number  
[redacted]
32. Taylormade-Land/Commercial Division, [redacted]  
Snellville, Georgia, telephone number  
[redacted]

b6  
b7C

b6  
b7C

b6  
b7C

HO 29D-5283

HO 29D-5283 Sub I

33. A letter to Digging for Gold Partners from Past Time Associates, Incorporated, 2829 South McCarther, Oklahoma City, Oklahoma, 73128, telephone number (405) 682-4551

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/30/91

A cooperative witness

|  |
|--|
|  |
|--|

b6  
b7C  
b7D

|  |
|--|
|  |
|--|

b6  
b7C  
b7D

|  |
|--|
|  |
|--|

Investigation on 10/09/90 at 

|  |
|--|
|  |
|--|

 File # 29D-5283

by SA 

|  |
|--|
|  |
|--|

 Date dictated 1/30/91



FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 3/13/90

|                             |                   |
|-----------------------------|-------------------|
|                             |                   |
|                             | was served with a |
| Federal Grand Jury subpoena |                   |
|                             |                   |

b3  
b6  
b7C

|  |
|--|
|  |
|--|

|  |
|--|
|  |
|--|

29D-JK-33007-195

b6  
b7C

Investigation on 3/2/90 at Austin, Texas File # 29A/HO-5283 Sub C

|  |
|--|
|  |
|--|

by SA  Date dictated 3/9/90

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

## FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription<sup>3</sup>/14/90

in response to a subpoena

b3  
b6  
b7C

b6  
b7C

Investigation on 3/14/90 at Houston, Texas File # 29A-5283 (C) - 3583

|    |               |         |
|----|---------------|---------|
| by | Date dictated | 3/14/90 |
|----|---------------|---------|

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FEDERAL BUREAU OF INVESTIGATION

- 1 -

Date of transcription 10/03/90

[redacted]  
[redacted] Federal Bureau of  
Investigation and the Federal Grand Jury [redacted]

[redacted]

b3  
b6  
b7C

based on a subpoena served  
surrendered to the FBI on

[redacted]

[redacted]

[redacted]

b6  
b7C

*29D-JK-33007-197*

Investigation on 10/02/90 at Houston, Texas File # 29D-5283(C)  
by SA [redacted] Date dictated 10/03/90

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/23/90

[redacted]  
[redacted] telephone number [redacted] was advised to the identity of the interviewing Agent and the nature of the interview. [redacted] then provided the following information:

[redacted] advised that she is a licensed private investigator [redacted] and is currently self employed.

[redacted] advised that in the late Spring of 1989, she was contacted by [redacted]

[redacted] had become involved with a shady group of people and turned out to be a fiasco for his company and the workers he employed. [redacted] advised [redacted] based on the information she provided that the claim she was making [redacted]

[redacted] was due to her [redacted] According to [redacted] she advised [redacted] that she would do her best as a license private investigator to pursue her claim [redacted]

[redacted] stated that during the Summer of 1989, [redacted] arrived in [redacted] and remained in the area for approximately a month. During this time, [redacted] agreed to a consensual telephone call to the attorneys for [redacted]

[redacted] This call was done in an effort to assist [redacted] During the same period of time, [redacted] provided telephone bills, store receipts, copies of inventory files, etcetra in order to assist [redacted] in her investigation. In the Fall of 1989, [redacted] instructed [redacted] and provided other information regarding the possibility of added documentation in support of her claim. During that period of time, [redacted] also mentioned that she had in her possession [redacted]

[redacted] that would completely validate her claim [redacted] Around the first of the year 1990, [redacted] received [redacted] and newspaper clippings. She mentioned that she was unable to, despite much effort, decipher the information [redacted] indicated that [redacted] had failed to inform her of the type of equipment that should be used with the [redacted] and so that was one of the reasons that she was unable to have anybody decipher information contained in the [redacted] stated that to her knowledge no alterations were

Investigation on 11/5/90

at [redacted]

File # 29D-HO-5283Date dictated 11/9/90

29D-HO-5283  
[redacted]

Continuation of FD-302 of [redacted], On 11/5/90, Page 2

made on [redacted] and they were returned to [redacted] in the condition in which they were received. Furthermore, [redacted] did not recall who the individual was to whom she had given [redacted] when she first received them from [redacted]

[redacted] provided interviewing Agent with copies of her files regarding this investigation. This information has been put into a 1-A envelope.

b6  
b7C

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/10/91

[redacted]  
[redacted] date of birth [redacted] was telephonically contacted by the interviewing agent. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

b6  
b7C

[redacted] stated that he was [redacted] several years ago. [redacted] was also a [redacted] where [redacted] was a [redacted] was a [redacted] which went "belly up." [redacted] obligated the investors with assets which he had purchased, unbeknownst to the investors.

[redacted] stated that he [redacted]  
[redacted] had invested money in a retirement plan set up by [redacted] which was put into some certificates of deposit (CDs). Without the knowledge of [redacted] invested this money in his many ventures in small businesses. Eventually, everything invested in the retirement fund had dissipated because of bad investments made by [redacted] found out later that somehow [redacted] could write checks on the account without the [redacted] stated that [redacted] knew his responsibilities as a [redacted] but yet still used the money for his own ventures.

b6  
b7C

[redacted] does not feel that [redacted] personally pocketed this money, but that the money disappeared because of bad investments. He did not try to litigate the matter because he knew that [redacted] had no money, and he felt that it was because of bad management and bad investments that the money was gone. [redacted] also stated that [redacted] is a born-again Christian, and [redacted] stated to [redacted] several times that he would try to pay him back when he could and that he was sorry for what had happened.

b6  
b7C

Investigation on 1/9/91 at [redacted] File # 29D-HO-5283-199  
by SA [redacted] Date dictated 1/9/91

b6  
b7C

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/10/91

[redacted]  
[redacted] date of birth [redacted] was telephonically contacted by the interviewing agent. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] in a company by the name of INVENTIVE TECHNOLOGIES INTERNATIONAL (ITI). [redacted] persuaded [redacted] in ITI, to become involved in several start up companies. These companies consisted of textile companies, real estate ventures, and a sporting goods store with [redacted]

b6  
b7C

At this time, [redacted] had an excellent reputation as an accountant in [redacted] etcetera. [redacted] would do accounting work for the contacts he would make at these various functions; and, instead of being paid cash, he would take a part of a new business.

[redacted] became suspicious when served with a notice from a group of investors in Virginia that the [redacted] was being sued for over \$400,000. [redacted] had sold nonexistent stock over state lines in the [redacted] holdings. When the Virginia investors found out that the stock was worthless, they sued.

b6  
b7C

[redacted] hired an attorney by the name of [redacted] (Last Name Unknown), with [redacted] to sort out the legal mess. [redacted] recalled that the attorney was aghast at what a legal mess it was.

Eventually, [redacted] had the books seized, and the court ordered a sale of the group of companies because [redacted] had not made payments on outstanding loans or taxes which were due. Over \$11,000 was paid to [redacted] and they could not trace the money. Therefore, [redacted] was not prosecuted.

b6  
b7C

Investigation on 1/9/91 at [redacted] File # 29D-HO-5283-200  
by SA [redacted] Date dictated 1/9/91

29D-HO-5283

Continuation of FD-302 of [REDACTED], On 1/9/91, Page 2

[REDACTED] stated that he lost every dime that he had, which was over [REDACTED] and went into bankruptcy. He stated that [REDACTED] singlehandedly ruined a very profitable and reputable business venture in [REDACTED] would often boast that he considered himself "a creative accountant."

b6  
b7C

[REDACTED] also recalled that [REDACTED] was involved in a pension fund scam with [REDACTED] was also burnt very badly when [REDACTED] misused [REDACTED] power of attorney.



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/10/91

JERRY ARPARIO, 712 Sharon Drive, Johnson City, Tennessee 37604, date of birth September 14, 1920, telephone number 282-9333, was telephonically contacted by the interviewing agent. After being advised of the identity of the interviewing agent and the nature of the interview, ARPARIO provided the following information:

ARPARIO advised that he was once a [redacted] in venture called INVENTIVE TECHNOLOGY INTERNATIONAL (ITI). This was a dental business which marketed a new instrument to be used in performing root canals. [redacted]

[redacted] All of the individuals involved lost thousands of dollars.

ARPARIO explained that the gross revenues of ITI were phenomenal, yet the income statements and profits seemed to be inaccurate. The partners discovered that [redacted] had signed a note pledging 25 percent of ITI. The partners immediately had the records of the business seized, whereupon it was discovered that 28 checking accounts drawn on ITI existed. The original records and knowledge of the other partners was that only three (3) checking accounts were supposed to have been drawn on the business. ARPARIO stated that [redacted] had opened these extra accounts and was using ITI profits to finance his other ventures. ARPARIO, [redacted] hired a certified public accounting firm and attorneys, but could not pin the scam on [redacted]. Several partners lost everything and were forced into bankruptcy.

[redacted] was also involved in a venture where a building located at 101 Fountain Place, Johnson City, Tennessee, was renovated and anchored by the PARKS BELK DEPARTMENT STORE. The group associated with this venture was known as the "DOWNTOWN PARTNERS." [redacted] had the top floor reserved for ITI, and when the building opened, ITI was paying \$4,000 a month for the space, which was used as its corporate headquarters. However, once the

29D-JK-33007-201

Investigation on 1/9/91 at Johnson City, TN File # 29D-HO-5283

by SA [redacted] Date dictated 1/9/91

29D-HO-5283

Continuation of FD-302 of JERRY ARPARIO, On 1/9/91, Page 2

business records at ITI were seized, the \$4,000 a month income ceased, and the "DOWNTOWN PARTNERS" forced [ ] out of the venture.

b6  
b7C

ARPARIO stated that [ ]  
[ ] He is  
also aware of a scam where [ ] was involved in mismanaging a  
group of local doctors' pension funds.

Page 95 ~ Duplicate;  
Page 96 ~ Duplicate;  
Page 97 ~ Duplicate;  
Page 110 ~ b6; b7C; b7D; b7E;  
Page 112 ~ b6; b7C; b7D;  
Page 113 ~ b6; b7C; b7D;  
Page 114 ~ b6; b7C; b7D;

XXXXXXXXXXXXXXXXXXXXXXXXXXXX  
X Deleted Page(s) X  
X No Duplication Fee X  
X For this Page X  
XXXXXXXXXXXXXXXXXXXXXXXXXXXX